



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

March 9, 2006

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First District

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Acting Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual account for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

(1)	Account Number EMS 35	\$60,000
(2)	Account Number EMS 34	\$17,150
(3)	Account Number EMS 42	\$16,667
(4)	Account Number EMS 40	\$8,333
(5)	Account Number EMS 41	\$5,810

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) – (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net recovery on these accounts.

Implementation of Strategic Plan Goal:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

Bruce A. Chernof, MD
Acting Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

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FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of trauma funds totaling approximately \$107,960.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Acting Director's authority, so the Acting Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, MD
Acting Director and Chief Medical Officer

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Attachments

- c. Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: March 9, 2006

Total Charges (Providing Facility)	\$238,535	Account Number	EMS 35
Amount Paid to Providing Facility	\$30,180	Service Type	Inpatient
Compromise Amount Offered	\$60,000*	Date of Service	08/25/2002-09/16/2002
		% of Payment Recovered	199%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$238,535 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$30,180. The patient's third-party claim has been settled for \$375,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$375,000)
Attorney fees	\$125,000	\$125,000	33.33%
Attorney Cost	\$3,117	\$3,117	0.83%
Los Angeles County	\$238,535	\$60,000*	16.00%
Patient		\$186,883	49.84%
Total		\$375,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

* Represents 199% of the amount Los Angeles County paid to St. Francis Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: March 9, 2006

Total Charges (Providing Facility)	\$56,136	Account Number	EMS 34
Amount Paid to Providing Facility	\$17,150	Service Type	Inpatient and Outpatient
Compromise Amount Offered	\$17,150 *	Date of Service	2/15/2002-02/19/2002 & other dates of service
		% of Payment Recovered	100%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges and outpatient charges of \$56,136 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$17,150. The patient's third-party claim has been settled for \$90,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$90,000)
Attorney fees	\$36,000	\$30,000	33.33%
Attorney Cost	\$1,052	\$1,052	1.17%
Los Angeles County - EMS	\$56,136	\$17,150 *	19.06%
LAC+USC Medical Center	\$26,428**	\$20,000**	22.20%
Other Lien Holders	\$1,997	\$1,997	2.20%
Patient		\$19,801	22.00%
Total		\$90,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

* Represents 100% of the amount Los Angeles County paid to St. Francis Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

** Patient was also treated at LAC+USC Medical Center and incurred charges of \$26,428. The LAC+USC Medical Center lien was settled for \$20,000 (75% of charges) by the facility pursuant to the January 8, 2002 Board approved compromise ordinance authority.

The overall amount allocated to Los Angeles County DHS for these 2 claims is \$37,150 (\$20,000 + \$17,150) or 41.26% (22.20% + 19.06%) of the settlement.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: March 9, 2006

Total Charges (Providing Facility)	\$65,012	Account Number	EMS 42
Amount Paid to Providing Facility	\$13,080	Service Type	Inpatient
Compromise Amount Offered	\$16,667*	Date of Service	12/27/2002-01/03/2003
		% of Payment Recovered	127%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred total inpatient charges of \$65,012 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$13,080. The patient's third-party claim has been settled for \$50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$16,500	\$16,500	33.00%
Los Angeles County	\$65,012	\$16,667*	33.33%
Other Lien Holders	\$15,403	\$15,403	30.81%
Patient		\$1,431	2.86%
Total		\$50,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

* Represents 127% of the amount Los Angeles County paid to Long Beach Memorial Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: March 9, 2006

Total Charges (Providing Facility)	\$99,378	Account Number	EMS 40
Amount Paid to Providing Facility	\$13,475	Service Type	Inpatient
Compromise Amount Offered	\$8,333*	Date of Service	02/22/2004-02/27/2004
		% of Payment Recovered	62%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Henry Mayo Newhall Memorial Hospital and incurred total inpatient charges of \$99,378 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$13,475. The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$25,000)
Attorney fees	\$8,333	\$8,333	33.33%
Los Angeles County	\$99,378	\$8,333*	33.33%
Other Lien Holders	\$422	\$422	1.69%
Patient		\$7,912	31.65%
Total		\$25,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

* Represents 62% of the amount Los Angeles County paid to Henry Mayo Newhall Memorial Hospital from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: March 9, 2006

Total Charges (Providing Facility)	\$33,619	Account Number	EMS 41
Amount Paid to Providing Facility	\$8,430	Service Type	Inpatient
Compromise Amount Offered	\$5,810*	Date of Service	05/20/2003-05/27/2003
		% of Payment Recovered	69%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$33,619 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$8,430. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$6,000	\$5,000	33.33%
Attorney Cost	\$1,000	\$800	5.33%
Los Angeles County	\$33,619	\$5,810*	38.73%
Other Lien Holders	\$2,585	\$2,585	17.24%
Patient		\$805	5.37%
Total		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

* Represents 69% of the amount Los Angeles County paid to Providence Holy Cross Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.